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August 2001

ENTS COLLECTED

BEFORE THE BOARD OF MILK CONTROL  
OF THE STATE OF MONTANA  
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%  
CLASS I BUTTERFAT PRICE PER POUND

\$17.95 /CWT  
\$2.25 /LB

EFFECTIVE SEPTEMBER 1, 2001:

The minimum price to pay milk producers, under ARM 32.24.301, is \$17.95 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 22.5 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$2.25.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$14.95 /CWT

Average spray process dry milk solids  
price per pound = \$1.02000  
Multiplied by 8.2 x 8.2

\$8.36400

\$8.36400

Last quote of the month for Grade AA butter  
minus a differential of \$.0895 = \$1.89800  
Multiplied by 4.2 x 4.2

\$7.97160

+ \$7.97160

LESS a make allowance of 8.5% ( \$16.3356 X .085)

\$16.33560

- \$1.38853

\$14.94707

Rounded to the nearest whole cent = \$14.95 /hundredweight.

**CLASS II BUTTERFAT PRICE PER POUND****\$2.11 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$1.89800	X .111 )	=
Rounded to the nearest half cent				=
				\$0.21068
				\$0.211

Butterfat value per pound		
for milk at 3.5% test:	\$2.11	

Hundredweight price of milk testing 3.5%		=	\$14.95
LESS 3.5 pounds of butterfat at	\$2.11	per pound	-
Value of 96.5 pounds of skim		=	\$7.385
			\$7.565

**CLASS II VALUE OF**

ONE POUND OF SKIM				=	\$0.07839 /LB
	7.565 / 96.5 pounds)				

**PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(7)

**CLASS III PRICE PER CWT FOR MILK TESTING 3.5%****\$12.68 /CWT**

3.5 pounds of butterfat	\$1.71	per pound =	\$5.985
96.5 pounds of skim	\$0.06942	per pound =	\$6.699
			\$12.684 /CWT

**CLASS III BUTTERFAT PRICE PER POUND****\$1.71 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$1.89800
LESS 10%	-	\$0.18980
		\$1.70820

Rounded to the nearest whole cent	=	\$1.71	per pound.
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**CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED****\$6.94212 /CWT**

Avg. spray process dry milk solid price/lb :	\$1.02000
Multiplied by 8.2	8.2
	\$8.36400
LESS 17%	\$1.42188
	\$6.94212

Rounded to the nearest whole cent	\$6.94	per hundredweight.
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**BY ORDER OF THE MONTANA MILK CONTROL BUREAU**

Compiled by:

*Monte Nick*  
 Monte Nick, Bureau Chief  
 Montana Milk Control Bureau

## BREAKDOWN BY TEST FOR CLASS I, II &amp; III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$17.95 FOR 3.5% MILK 96.5 LBS = \$10.075		CLASS II SKIM PRICE BASED ON \$14.95 FOR 3.5% MILK 96.5 LBS = \$7.565		CLASS III SKIM PRICE BASED ON \$12.68 FOR 3.5% MILK 96.5 LBS = \$6.699	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.10333	2.50	\$0.07759	2.50	\$0.06871
2.55	\$0.10339	2.55	\$0.07763	2.55	\$0.06874
2.60	\$0.10344	2.60	\$0.07767	2.60	\$0.06878
2.65	\$0.10349	2.65	\$0.07771	2.65	\$0.06882
2.70	\$0.10355	2.70	\$0.07775	2.70	\$0.06885
2.75	\$0.10360	2.75	\$0.07779	2.75	\$0.06889
2.80	\$0.10365	2.80	\$0.07783	2.80	\$0.06892
2.85	\$0.10371	2.85	\$0.07787	2.85	\$0.06896
2.90	\$0.10376	2.90	\$0.07791	2.90	\$0.06899
2.95	\$0.10381	2.95	\$0.07795	2.95	\$0.06903
3.00	\$0.10387	3.00	\$0.07799	3.00	\$0.06906
3.05	\$0.10392	3.05	\$0.07803	3.05	\$0.06910
3.10	\$0.10397	3.10	\$0.07807	3.10	\$0.06913
3.15	\$0.10403	3.15	\$0.07811	3.15	\$0.06917
3.20	\$0.10408	3.20	\$0.07815	3.20	\$0.06921
3.25	\$0.10413	3.25	\$0.07819	3.25	\$0.06924
3.30	\$0.10419	3.30	\$0.07823	3.30	\$0.06928
3.35	\$0.10424	3.35	\$0.07827	3.35	\$0.06931
3.40	\$0.10430	3.40	\$0.07831	3.40	\$0.06935
3.45	\$0.10435	3.45	\$0.07835	3.45	\$0.06939
3.50	\$0.10440	3.50	\$0.07839	3.50	\$0.06942
3.55	\$0.10446	3.55	\$0.07843	3.55	\$0.06946
3.60	\$0.10451	3.60	\$0.07848	3.60	\$0.06949
3.65	\$0.10457	3.65	\$0.07852	3.65	\$0.06953
3.70	\$0.10462	3.70	\$0.07856	3.70	\$0.06957
3.75	\$0.10468	3.75	\$0.07860	3.75	\$0.06960
3.80	\$0.10473	3.80	\$0.07864	3.80	\$0.06964
3.85	\$0.10478	3.85	\$0.07868	3.85	\$0.06967
3.90	\$0.10484	3.90	\$0.07872	3.90	\$0.06971
3.95	\$0.10489	3.95	\$0.07876	3.95	\$0.06975
4.00	\$0.10495	4.00	\$0.07880	4.00	\$0.06978
4.05	\$0.10500	4.05	\$0.07884	4.05	\$0.06982
4.10	\$0.10506	4.10	\$0.07888	4.10	\$0.06986
4.15	\$0.10511	4.15	\$0.07893	4.15	\$0.06989
4.20	\$0.10517	4.20	\$0.07897	4.20	\$0.06993
4.25	\$0.10522	4.25	\$0.07901	4.25	\$0.06996
4.30	\$0.10528	4.30	\$0.07905	4.30	\$0.07000
4.35	\$0.10533	4.35	\$0.07909	4.35	\$0.07004
4.40	\$0.10539	4.40	\$0.07913	4.40	\$0.07007
4.45	\$0.10544	4.45	\$0.07917	4.45	\$0.07011
4.50	\$0.10550	4.50	\$0.07921	4.50	\$0.07015

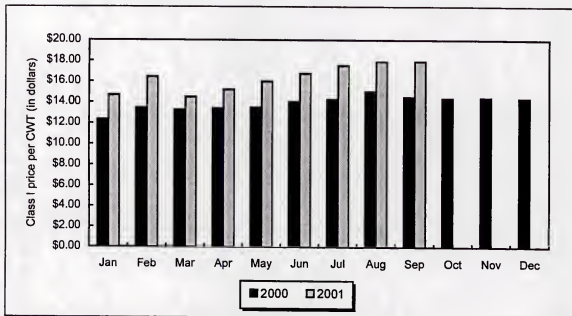
## PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2000 and 2001

Statistics from the Montana Milk Control Bureau

Month	2000	2001	Difference	% Change
January	\$12.34	\$14.68	\$2.34	18.96%
February	\$13.45	\$16.43	\$2.98	22.16%
March	\$13.26	\$14.49	\$1.23	9.28%
April	\$13.39	\$15.20	\$1.81	13.52%
May	\$13.48	\$15.99	\$2.51	18.62%
June	\$14.03	\$16.76	\$2.73	19.46%
July	\$14.25	\$17.54	\$3.29	23.09%
August	\$15.01	\$17.89	\$2.88	19.19%
September	\$14.50	\$17.95	\$3.45	23.79%
October	\$14.39	\$0.00		
November	\$14.44	\$0.00		
December	\$14.37	\$0.00		
Average	\$13.91	\$12.24	\$2.58	18.67%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

JUNE 2001: class I = \$9.23; class II = \$2.26; Class III = \$4.07; total = \$15.55

(calculations based upon utilization percentages of butterfat &amp; skim)